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E.O. 12958: DECL: 05/02/2018
TAGS: [EAGR](#) [ECON](#) [JA](#)
SUBJECT: JAPANESE RICE STOCKS AND FOOD AID

REF: A. TOKYO 1201

[1](#)B. JAKARTA 00859

Classified By: CDA Joseph Donovan for Reasons: 1.4 (b/d)

Summary

[1](#)1. (U) Japan is sensitive to emerging world rice shortages and spiking prices and has announced plans to contribute \$100 million in food aid over the next three months. So far, however, the GOJ has indicated it will not release minimum access stocks that it has imported under its Uruguay Round obligations.
End summary.

[1](#)2. (U) Japan's government announced April 25 a total of \$100 million in emergency aid over the next three months (May-July) to developing countries where famine and political unrest are expanding owing to soaring food prices. MOFA officials have told the AID Counselor in Tokyo that since the beginning of 2008 Japan has provided \$68 million to the World Food Program (WFP). MOFA officials have stated publically that the GOJ has no plans currently to donate rice from stocks as food aid.

[1](#)3. (SBU) Japan holds approximately 770,000 metric tons of domestic rice in stocks (due to continued overproduction) and 1.52 million metric tons of imported rice (mostly U.S. origin). The Ministry of Agriculture (MAFF) purchased that foreign rice as part of its Minimum Access (MA) Uruguay Round commitment. Imported MA rice is only released to the Japanese market as an input into processed products or for industrial or feed use. During JFY07 (April-March) MAFF released 650,000 mt of rice stocks (domestic and/or imported) for feed use. As to imported stocks release, after notifying the USG and U.S. rice industry, in July 2006 MAFF began releasing 25,000 mt of MA rice for feed (believed to be included in the aforementioned figure).

MAFF: Not aware of commodity aid request

[1](#)4. (C) AgMinCoun met May 2 with General Food Policy Bureau Director of International Affairs Tadashi Sato. The Food Policy Bureau manages imported rice purchases and stocks. Sato said he is aware in general that there is interest in Japan's rice stocks but stated he is not aware of any specific request to release stocks. He said there are already small amounts of MA rice going into food aid but did not disclose amounts (typically they do not disclose that information even if they have it). He also noted that it is up to the Minister of Agriculture to decide

whether and how rice stocks are used, including as food aid. Sato said he personally wishes Japan could purchase U.S. rice specifically for use as food aid and for direct delivery to the recipient country.

Possible Intervention?

¶5. (U) The Foreign Ministry's Director General for Global Affairs, Koji Tsuruoka, told the press April 25 Japan has "no plans" to donate any rice it currently holds in storage. Foreign Minister Komura the same day said the possibility to donate food is "not zero" but refrained from giving reporters more information before consulting with MAFF and other organizations.

Comment

¶6. (C) Post believes it important that neither the U.S. nor Japan be seen as causes for other countries' rice shortages or price hikes. One course, if the GOJ indeed requires such a statement from the U.S., is to say that while we continue to expect Japan to live up to its Uruguay Round agricultural commitments, we have no objection to a GOJ decision to release MA rice it now has in stock to help other countries meet their food security needs.

DONOVAN